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Review of *Portfolio Society: On the Capitalist Mode of Prediction* by Ivan Ascher (MIT Press)

Allison Lakomski

ABSTRACT As Ivan Ascher shows in his book "Portfolio Society," since the mid-twentieth century capitalism's developed world has found itself increasingly dependent on a system of money in itself as determinant of value—a system of credit and debt, of perceived risks and predictions.

> *Portfolio Society: On the Capitalist Mode of Prediction*. By Ivan Ascher. New York: MIT Press, 2016, 192 pp. (hardcover) ISBN 9781935408741. US List: $25.95.

The premise of Karl Marx's theory of capital is based in the commodity, in the fact that there is a thing that has a use-value. According to Marx's account, it is only in that there is a tangible good produced by human labor that the owners of the means of production—capitalists—have been able to create a system whereby they can extract surplus-value from labor through the sale of finished commodities at a higher cost than the labor that produced them. Foundational in this concept of economic exchange is the reduction of all commodities to the terms of a general equivalent, a reference point for the relative value of all things. Importantly, money as the general equivalent in the traditional Marxian postulate is contingent upon the fact that laborer-consumers see its value realized in things; implicitly, money would have no value *sans* commodities. And yet, as Ivan Ascher shows in his book *Portfolio Society*, since the mid-twentieth century capitalism's developed world has found itself increasingly dependent on a system of money *in itself* as determinant of value—a system of credit and debt, of perceived risks and predictions.

According to Ascher, the shift from monetary to credit-based transactions has resulted in an evolution in the relationship between people within the marketplace, meaning we can no longer read the exploitative dialectic of capitalism as situated primarily in the realm of production. Freed from the budgetary constraints of wages, workers in advanced capitalism's network of credit and debt are dependent not on their paid labor but, instead, on their credit worthiness—the risk they present to investors.

Unlike others who have employed Marxist political economy to interpret the evolution of capitalism that has resulted in financialization—in which all value is reduced to a system of financial measurement that is based not in commodities or physical monies but in the prediction of the continued production of value—here, Ascher's use of Marx takes a turn when he poses that the neoliberal financialized economy cannot be seen simply as the latest phase in the evolution of capitalist production. Instead, he reads the prediction of the continued production of value as a historical break in which the future of capitalism has become directed by predictive financial markets that have embedded in them a new form of socio-economic hierarchy of risk, debt, and dependency.

Ascher's discussion of the mass and generalized evaluation of financial borrowing with the rise of credit cards and home mortgages since the Post-War era illustrates a historical transition from Marx's wage relation to a post-industrial credit relation. Borrowers are no longer seen as credit worthy on their own merits but, instead, according to a schema created to predict their likelihood of default based on demographic data. In this turn, which I see as Ascher's greatest contribution, alienation from work and consumption, while still experienced, becomes secondary to a more abstract form of financial alienation. People as debtors are no longer measured according to the relative worth of their labor as measured against the total productive output of society's marketplace but, instead, according to their financial standing and the perceived "risk" of lending to people "like them." Whereas laborers once were asked to see their work as their individual contribution to society, garnering them individual paychecks accordingly, borrowers are now to see their credit worthiness as a reflection of their financial value to the economy, as their contribution to the growth and stability of a socio-economic system that benefits individuals according to their "good" performance. As a "good risk," Ascher's proletarian-debtor is granted access to a greater credit line, which affords them a higher standard of living both at present, through things like credit cards, loans, and mortgages, and in the future, through investments in 401ks and pension funds. However, like the wage laborer before him, the proletarian-debtor fails to see that they are but a number in a totalizing system that derives value in their exploitation and the obliteration of their humanity, providing them neither satisfaction nor the fulfillment of their needs but an ever-increasing number of needs that can presumably be filled through lifelong dependency upon their creditors.

Providing insight into the transition from a productive-based monetary system to a predictive crediting system that is similar to earlier work by David Harvey, what Ascher proposes to be "a defining feature of a new and distinctly uncanny mode of *prediction* and *protection*… a historically unique *portfolio society* in which capital's relation to its own future (and hence everyone's relation to the future) is itself mediation by financial markets" (24) does not actually appear to be a *turn* from earlier theories of the rise of financialized capital as an evolutionary extension of capitalism. If capitalism's sole objective is, and has always been, the production of surplus value, then it seems logical that that *value* was always the central tenant, not production or physical commodities. Arguably, contrary to Ascher's claim that this is a distinct unexpected transformation, the theoretically complex narrative offered in *Portfolio Society* proves that the things upon which the analysis of traditional capitalism and capitalist relations have been based are merely transitional elements in the development of *pure capitalism.* In an enclosed market that uses physical individuals only as agents to crunch numbers, hedge risks, and convince the masses that they can prepare for the future by investing in the present, value can be realized in and of itself and this is key to the continuation of an economic system that has essentially saturated its market and overstayed its welcome.

Historically situated, Marx could not have predicted a transformation of this magnitude, but today we must consider the historical continuity of political economy—the deeply intertwined narratives of market, innovation, and speculation about the future and the static nature of western culture's socio-economic hierarchy. Taken accordingly, *Portfolio Society* provides timely insight into specific instances wherein the public and private sectors colluded in the name of economic growth at the expense of public welfare and the stability of the working class.

Bio

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Allison Lakomski is a PhD Candidate in the Cultural Studies program. She has taught courses in Women's Studies and Cultural Studies. Her field statements were the Political Economy of Consumption and Theories of Affect. She is currently working on here dissertation which traces the historical development of American consumer culture in relation to the development of the supermarket to consider the economic growth and popularity of Whole Foods Market at the present juncture.

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